

EXHIBIT 1DATE 1-21-09HB 207

HB 207 and SB 33  
Impact of Project Size  
on Capital Cost Per Unit of Output

Generating Capacity Gross Output (MW)	Generating Capacity Net Output (MW)	Total Project Capital (in millions of \$\$)	Capital Cost - Cost per kW
6.25	5	\$30.8	\$4,920
11.46	10	\$36.3	\$3,165
16.70	15	\$34.2	\$2,347
27.45	20	\$46.5	\$2,073
28.10	25	\$56.7	\$1,998

Prepared by:  
NorthWestern Energy  
208 N. Montana Ave., Suite 205  
Helena, MT 59601  
(406) 449-9819

**HB 207**  
**Impact on Customer Costs**

**Case #1**

**ASSUME COMMUNITY RENEWABLE ENERGY PROJECT  
(CREP) IS DEFINED AS PROJECT LESS THAN OR EQUAL  
TO 5 MW**

Assume Project Cost =	\$30.80 million
Assume 100% Debt Financing	
Assume 20-Year Amortization Period	
Assume 6.5% Interest Rate	

Annual Principal and Interest (P&I) Payments	\$2.7 million
Life of Project P&I Costs	\$55.1 million

Number of Plants Needed to Produce 20 MW	4
--	---

Total P&I Cost Paid by Consumers for Power Under Current CREP Definition	\$220.4 million
---	-----------------

**Case #2**

**ASSUME CREP DEFINITION INCREASED TO 20 MW**

Assume Project Cost =	\$46.5 million
Assume 100% Debt Financing	
Assume 20-Year Amortization Period	
Assume 6.5% Interest Rate	

Annual Principal and Interest (P&I) Payments	\$4.16 million
Life of Project P&I Costs	\$83.2 million

Number of Plants Needed to Produce 20 MW	1
--	---

Total P&I Cost Paid by Consumers for Power Under Proposed CREP Definition	\$83.2 million
--	----------------

**SUMMARY**

Total P&I Costs Under Current Law for 20 MW	\$220.4 million
---	-----------------

<u>Total P&amp;I costs Under HB 207 for 20 MW</u>	<u>\$83.2 million</u>
---	-----------------------

Potential Savings to Customers Under HB 207	\$137.2 million
---	-----------------

Prepared by:  
NorthWestern Energy  
208 N. Montana Ave., Suite 205  
Helena, MT 59601  
(406) 449-9819